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**NEW ORLEANS BOWL, INC.**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-29-05

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Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
**New Orleans Bowl, Inc.**  
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the **New Orleans Bowl, Inc.** (a non-profit organization) as of December 31, 2004, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the **New Orleans Bowl, Inc.** Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **New Orleans Bowl, Inc.** as of December 31, 2004, and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**New Orleans Bowl, Inc.**  
New Orleans, Louisiana  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2005 on our consideration of **New Orleans Bowl, Inc.**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the report (shown on page 10) is presented for the purpose of additional analysis and is not a required part of the financial statements of **New Orleans Bowl, Inc.** Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all materials respects in relation to the financial statements taken as a whole.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

March 4, 2005

**NEW ORLEANS BOWL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2004**

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**ASSETS**

Cash and cash equivalents (NOTE 2)	\$ 52,364
Grant receivable	367,375
Other receivables	253,798
Prepaid expenses	<u>18,043</u>
 Total assets	 <u><b>\$691,580</b></u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Bank overdraft	\$ 21,972
Accounts payable	445,370
Note payable	<u>22,000</u>
 Total liabilities	 <u><b>489,342</b></u>
 Net Assets (NOTE 2):	
Unrestricted net assets	<u><b>202,238</b></u>
 Total net assets	 <u><b>202,238</b></u>
 Total liabilities and net assets	 <u><b>\$691,580</b></u>

The accompanying notes are an integral part of these financial statements.

**NEW ORLEANS BOWL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Revenues and Other Support**

Ticket sales	\$ 844,660
Conference guarantees	50,000
Contributions	294,880
Grant revenue	377,375
Merchandising revenue	4,506
Television and radio rights	100,000
Hotel rebates	14,020
Miscellaneous	<u>614</u>

Total revenues and other support	<u>1,686,055</u>
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**Expenses**

Program services	1,394,949
Support services	<u>172,960</u>

Total expenses	<u>1,567,909</u>
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Change in net assets	118,146
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Net assets, beginning of year	<u>84,092</u>
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Net assets, end of year	<u>\$ 202,238</u>
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The accompanying notes are an integral part of these financial statements.

**NEW ORLEANS BOWL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Cash Flows From Operating Activities**

Changes in net assets	\$ 118,146
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Decrease in receivables	61,959
Increase in prepaid expenses	(4,294)
Increase in accounts payables	74,223
Decrease in note payable	<u>(198,200)</u>
Net cash provided by operating activities	<u>51,834</u>
Net increase in cash and cash equivalents	51,834
Cash and cash equivalents, January 1, 2004	<u>530</u>
Cash and cash equivalents, December 31, 2004	<u>\$ 52,364</u>

The accompanying notes are an integral part of these financial statements.

**NEW ORLEANS BOWL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - Organization:**

The **New Orleans Bowl, Inc. (the Bowl)** was organized in 2001 as a non-profit organization to foster national sports competition. Each year, it will organize a college football bowl game between two members of the National Collegiate Athletic Association which will be held in New Orleans, Louisiana. Also, **the Bowl** was organized to provide any ideas and support necessary to assist in the coordination and production of the New Orleans Bowl.

**The Bowl** is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

**NOTE 2 - Summary of Significant Accounting Policies:**

**Principles of Accounting**

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of Reporting**

**The Bowl** has adopted SFAS No. 117 which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.



**NEW ORLEANS BOWL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Principles of Accounting, Continued

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **the Bowl** are included in this category. **The Bowl** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **the Bowl** and therefore, **the Bowl's** policy is to record these net assets as unrestricted.

Temporarily restricted net assets include realized gains and losses, investment income and gifts, appropriations and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At December 31, 2004, **the Bowl** did not have any temporarily or permanently restricted net assets.

**NEW ORLEANS BOWL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 2 - Summary of Significant Accounting Policies, Continued:**

**Cash and Cash Equivalents**

Cash consist solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows. All deposits are secured by federal deposit insurance.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**NOTE 3 - Related Party Transactions:**

Certain board members of **the Bowl** are also board members of the Greater New Orleans Sports Foundation. **The Bowl** has contracted with the Greater New Orleans Sports Foundation to manage and handle the administrative functions of hosting the New Orleans Bowl. The Greater New Orleans Sports Foundation provides office space, meeting space, utilities, and use of all office furniture and equipment, as well as providing any and all personnel needed to host the New Orleans Bowl. **The Bowl** provided the Greater New Orleans Sports Foundation with New Orleans Bowl game tickets valued at \$132,040 for services rendered to **the Bowl**.

**NEW ORLEANS BOWL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 4 - Concentration of Credit Risk:**

Financial instruments that potentially subject **the Bowl** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions.

**NOTE 5 - Fair Value of Financial Instruments:**

The estimated fair value of all significant financial amounts have been determined by **the Bowl** using available market information and appropriate valuation methodologies. **The Bowl** considers the carrying amounts of cash and cash equivalents, and accounts receivable to be the fair value.

## **SUPPLEMENTARY INFORMATION**

**NEW ORLEANS BOWL, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>TOTAL EXPENSES</u>
Professional fees	\$ 192,460	\$ 6,000	\$ 198,460
Insurance	-0-	30,364	30,364
Facility rental	3,000	50,000	53,000
Janitorial	14,854	-0-	14,854
Telephone	-0-	1,377	1,377
Supplies	-0-	5,780	5,780
Computer and internet	-0-	341	341
Bank charges	-0-	21	21
Postage	-0-	2,819	2,819
Transportation	3,033	-0-	3,033
Letter of credit fee	-0-	6,500	6,500
Officials	16,949	-0-	16,949
Event awards and gifts	130,193	-0-	130,193
Licenses and fees	-0-	5	5
Miscellaneous	-0-	66,239	66,239
Printing and advertising	189,231	-0-	189,231
Team guarantees	650,000	-0-	650,000
Travel and entertainment	17,933	-0-	17,933
Field crew	13,897	-0-	13,897
NCAA fee	12,000	-0-	12,000
Audio/video	10,845	-0-	10,845
Event equipment	1,650	-0-	1,650
Security	24,391	-0-	24,391
Ticket services	9,948	-0-	9,948
Food and beverage	51,011	-0-	51,011
Game operations	13,185	-0-	13,185
Game day events	22,447	-0-	22,447
Interest expense	-0-	3,514	3,514
Outreach	<u>17,922</u>	<u>-0-</u>	<u>17,922</u>
Total	<u>\$1,394,949</u>	<u>\$172,960</u>	<u>\$1,567,909</u>



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
**New Orleans Bowl, Inc.**  
New Orleans, Louisiana

We have audited the financial statements of the **New Orleans Bowl, Inc. (the Bowl)** as of and for the year ended December 31, 2004, and have issued our report thereon dated March 4, 2005. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether **the Bowl's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **the Bowl's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management and the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

March 4, 2005

**NEW ORLEANS BOWL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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We have audited the financial statements of **New Orleans Bowl, Inc.** as of and for the year ended December 31, 2004, and have issued our report thereon dated March 4, 2005. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2004 resulted in an unqualified opinion.

**Section I - Summary of Auditors' Reports**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses/Reportable Conditions	<b>No</b>
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Compliance

Compliance Material to Financial Statements	<b>No</b>
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b. Federal Awards

Not Applicable

c. Identification of Major Programs

Not Applicable

**Section II - Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:**

NONE

**Section III - Findings and Questioned Costs Related to Federal Awards:**

Not applicable



**NEW ORLEANS BOWL, INC.**  
**DECEMBER 31, 2004**

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**EXIT CONFERENCE**

An exit conference was held with the following individuals:

**NEW ORLEANS BOWL, INC.**

Mr. Ron Maestri	–	Executive Director
Ms. Colleen Lieberman	–	Vice President of Administration

**BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Michael B. Bruno, CPA	–	Managing Partner
Mr. Sean M. Bruno, CPA	–	Manager
Ms. Tiffany Jackson, CPA	–	Senior

The audit report was discussed. This report is intended solely for the information and use of the Board of Directors, management and the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.